

HOUSE BILL No. 1339

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-18.5-22; IC 6-3.5-7.

Synopsis: Funding public safety answering points. Authorizes the fiscal bodies of a county and another political subdivision that are parties to a contract under which the county has assumed the responsibility of operating a public safety answering point to jointly petition the department of local government finance to adjust the maximum permissible ad valorem property tax levies of the respective units. Provides that in a county that operates a public safety answering point, an additional county economic development income tax rate of 0.1% may be imposed to pay expenses incurred by the county to operate the public safety answering point.

Effective: July 1, 2014.

Karickhoff

January 15, 2014, read first time and referred to Committee on Ways and Means.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

HOUSE BILL No. 1339

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-1.1-18.5-22 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2014]: **Sec. 22. (a) This section applies in a**
4 **county in which the county has contractually assumed from**
5 **another political subdivision the responsibility of operating a**
6 **public safety answering point.**
7 **(b) The fiscal bodies of a county and another political**
8 **subdivision that are parties to a contract described in subsection**
9 **(a) may jointly petition the department of local government finance**
10 **to adjust the maximum permissible ad valorem property tax levies**
11 **for the ensuing calendar year of the petitioning units as follows:**
12 **(1) To increase the county's maximum permissible ad valorem**
13 **property tax levy for the ensuing calendar year by the amount**
14 **levied in the preceding calendar year by the petitioning**
15 **political subdivision to pay expenses incurred to operate the**
16 **public safety answering point.**



(2) To decrease the maximum permissible ad valorem property tax levy for the ensuing calendar year of the petitioning political subdivision by the amount that the petitioning political subdivision levied in the preceding calendar year to pay expenses incurred to operate the public safety answering point.

SECTION 2. IC 6-3.5-7-5, AS AMENDED BY P.L.261-2013, SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) Except as provided in subsection (c), the county economic development income tax may be imposed on the adjusted gross income of county taxpayers. The entity that may impose the tax is:

- (1) the county income tax council (as defined in IC 6-3.5-6-1) if the county option income tax is in effect on October 1 of the year the county economic development income tax is imposed;
- (2) the county council if the county adjusted gross income tax is in effect on October 1 of the year the county economic development tax is imposed; or
- (3) the county income tax council or the county council, whichever acts first, for a county not covered by subdivision (1) or (2).

To impose the county economic development income tax, a county income tax council shall use the procedures set forth in IC 6-3.5-6 concerning the imposition of the county option income tax.

(b) Except as provided in this section and ~~section~~ **sections 28 and 29** of this chapter, the county economic development income tax may be imposed at a rate of:

- (1) one-tenth percent (0.1%);
- (2) two-tenths percent (0.2%);
- (3) twenty-five hundredths percent (0.25%);
- (4) three-tenths percent (0.3%);
- (5) thirty-five hundredths percent (0.35%);
- (6) four-tenths percent (0.4%);
- (7) forty-five hundredths percent (0.45%); or
- (8) five-tenths percent (0.5%);

on the adjusted gross income of county taxpayers.

(c) Except as provided in this section **and section 29 of this chapter**, the county economic development income tax rate plus the county adjusted gross income tax rate, if any, that are in effect on January 1 of a year may not exceed one and twenty-five hundredths percent (1.25%). Except as provided in this section **and section 29 of this chapter**, the county economic development tax rate plus the



1 county option income tax rate, if any, that are in effect on January 1 of
2 a year may not exceed one percent (1%).

3 (d) To impose, increase, decrease, or rescind the county economic
4 development income tax, the appropriate body must adopt an
5 ordinance.

6 (e) The ordinance to impose the tax must substantially state the
7 following:

8 "The _____ County _____ imposes the county economic
9 development income tax on the county taxpayers of _____
10 County. The county economic development income tax is imposed at
11 a rate of _____ percent (____%) on the county taxpayers of the
12 county."

13 (f) The auditor of a county shall record all votes taken on ordinances
14 presented for a vote under the authority of this chapter and shall, not
15 more than ten (10) days after the vote, send a certified copy of the
16 results to the commissioner of the department, the director of the
17 budget agency, and the commissioner of the department of local
18 government finance in an electronic format approved by the director of
19 the budget agency.

20 (g) For Jackson County, except as provided in subsection (o), the
21 county economic development income tax rate plus the county adjusted
22 gross income tax rate that are in effect on January 1 of a year may not
23 exceed one and thirty-five hundredths percent (1.35%) if the county has
24 imposed the county adjusted gross income tax at a rate of one and
25 one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

26 (h) For Pulaski County, except as provided in subsection (o), the
27 county economic development income tax rate plus the county adjusted
28 gross income tax rate that are in effect on January 1 of a year may not
29 exceed one and fifty-five hundredths percent (1.55%).

30 (i) For Wayne County, except as provided in subsection (o), the
31 county economic development income tax rate plus the county adjusted
32 gross income tax rate that are in effect on January 1 of a year may not
33 exceed one and five-tenths percent (1.5%).

34 (j) This subsection applies to Randolph County. Except as provided
35 in subsection (o), in addition to the rates permitted under subsection
36 (b):

- 37 (1) the county economic development income tax may be imposed
38 at a rate of twenty-five hundredths percent (0.25%); and
- 39 (2) the sum of the county economic development income tax rate
40 and the county adjusted gross income tax rate that are in effect on
41 January 1 of a year may not exceed one and five-tenths percent
42 (1.5%);



1 if the county council makes a determination to impose rates under this
 2 subsection and section 22.5 of this chapter.

3 (k) For Daviess County, except as provided in subsection (o), the
 4 county economic development income tax rate plus the county adjusted
 5 gross income tax rate that are in effect on January 1 of a year may not
 6 exceed one and five-tenths percent (1.5%).

7 (l) For:

8 (1) Elkhart County; or

9 (2) Marshall County;

10 except as provided in subsection (o), the county economic development
 11 income tax rate plus the county adjusted gross income tax rate that are
 12 in effect on January 1 of a year may not exceed one and five-tenths
 13 percent (1.5%).

14 (m) For Union County, except as provided in subsection (o), the
 15 county economic development income tax rate plus the county adjusted
 16 gross income tax rate that are in effect on January 1 of a year may not
 17 exceed one and five-tenths percent (1.5%).

18 (n) This subsection applies to Knox County. Except as provided in
 19 subsection (o), in addition to the rates permitted under subsection (b):

20 (1) the county economic development income tax may be imposed
 21 at a rate of twenty-five hundredths percent (0.25%); and

22 (2) the sum of the county economic development income tax rate
 23 and:

24 (A) the county adjusted gross income tax rate that are in effect
 25 on January 1 of a year may not exceed one and five-tenths
 26 percent (1.5%); or

27 (B) the county option income tax rate that are in effect on
 28 January 1 of a year may not exceed one and twenty-five
 29 hundredths percent (1.25%);

30 if the county council makes a determination to impose rates under this
 31 subsection and section 24 of this chapter.

32 (o) In addition:

33 (1) the county economic development income tax may be imposed
 34 at a rate that exceeds by not more than twenty-five hundredths
 35 percent (0.25%) the maximum rate that would otherwise apply
 36 under this section; and

37 (2) the:

38 (A) county economic development income tax; and

39 (B) county option income tax or county adjusted gross income
 40 tax;

41 may be imposed at combined rates that exceed by not more than
 42 twenty-five hundredths percent (0.25%) the maximum combined



1 rates that would otherwise apply under this section.
 2 However, the additional rate imposed under this subsection may not
 3 exceed the amount necessary to mitigate the increased ad valorem
 4 property taxes on homesteads (as defined in IC 6-1.1-20.9-1 (repealed)
 5 before January 1, 2009, or IC 6-1.1-12-37 after December 31, 2008) or
 6 residential property (as defined in section 26 of this chapter), as
 7 appropriate under the ordinance adopted by the adopting body in the
 8 county, resulting from the deduction of the assessed value of inventory
 9 in the county under IC 6-1.1-12-41 or IC 6-1.1-12-42 or from the
 10 exclusion in 2008 of inventory from the definition of personal property
 11 in IC 6-1.1-1-11.

12 (p) If the county economic development income tax is imposed as
 13 authorized under subsection (o) at a rate that exceeds the maximum
 14 rate that would otherwise apply under this section, the certified
 15 distribution must be used for the purpose provided in section 26 of this
 16 chapter to the extent that the certified distribution results from the
 17 difference between:

- 18 (1) the actual county economic development tax rate; and
- 19 (2) the maximum rate that would otherwise apply under this
- 20 section.

21 (q) This subsection applies only to a county described in section 27
 22 of this chapter. Except as provided in subsection (o), in addition to the
 23 rates permitted by subsection (b), the:

- 24 (1) county economic development income tax may be imposed at
- 25 a rate of twenty-five hundredths percent (0.25%); and
- 26 (2) county economic development income tax rate plus the county
- 27 option income tax rate that are in effect on January 1 of a year
- 28 may equal up to one and twenty-five hundredths percent (1.25%);
- 29 if the county council makes a determination to impose rates under this
- 30 subsection and section 27 of this chapter.

31 (r) Except as provided in subsection (o), the county economic
 32 development income tax rate plus the county adjusted gross income tax
 33 rate that are in effect on January 1 of a year may not exceed one and
 34 five-tenths percent (1.5%) if the county has imposed the county
 35 adjusted gross income tax under IC 6-3.5-1.1-3.3.

36 (s) This subsection applies to Howard County. Except as provided
 37 in subsection (o), the sum of the county economic development income
 38 tax rate and the county option income tax rate that are in effect on
 39 January 1 of a year may not exceed one and twenty-five hundredths
 40 percent (1.25%).

41 (t) This subsection applies to Scott County. Except as provided in
 42 subsection (o), the sum of the county economic development income



1 tax rate and the county option income tax rate that are in effect on
 2 January 1 of a year may not exceed one and twenty-five hundredths
 3 percent (1.25%).

4 (u) This subsection applies to Jasper County. Except as provided in
 5 subsection (o), the sum of the county economic development income
 6 tax rate and the county adjusted gross income tax rate that are in effect
 7 on January 1 of a year may not exceed one and five-tenths percent
 8 (1.5%).

9 (v) An additional county economic development income tax rate
 10 imposed under section 28 of this chapter may not be considered in
 11 calculating any limit under this section on the sum of:

12 (1) the county economic development income tax rate plus the
 13 county adjusted gross income tax rate; or

14 (2) the county economic development tax rate plus the county
 15 option income tax rate.

16 (w) The income tax rate limits imposed by subsection (c) or (x) or
 17 any other provision of this chapter do not apply to:

18 (1) a county adjusted gross income tax rate imposed under
 19 IC 6-3.5-1.1-24, IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26; or

20 (2) a county option income tax rate imposed under IC 6-3.5-6-30,
 21 IC 6-3.5-6-31, or IC 6-3.5-6-32.

22 For purposes of computing the maximum combined income tax rate
 23 under subsection (c) or (x) or any other provision of this chapter that
 24 may be imposed in a county under IC 6-3.5-1.1, IC 6-3.5-6, and this
 25 chapter, a county's county adjusted gross income tax rate or county
 26 option income tax rate for a particular year does not include the county
 27 adjusted gross income tax rate imposed under IC 6-3.5-1.1-24,
 28 IC 6-3.5-1.1-25, or IC 6-3.5-1.1-26 or the county option income tax rate
 29 imposed under IC 6-3.5-6-30, IC 6-3.5-6-31, or IC 6-3.5-6-32.

30 (x) This subsection applies to Monroe County. Except as provided
 31 in subsection (o), if an ordinance is adopted under IC 6-3.5-6-33, the
 32 sum of the county economic development income tax rate and the
 33 county option income tax rate that are in effect on January 1 of a year
 34 may not exceed one and twenty-five hundredths percent (1.25%).

35 (y) This subsection applies to Perry County. Except as provided in
 36 subsection (o), if an ordinance is adopted under section 27.5 of this
 37 chapter, the county economic development income tax rate plus the
 38 county option income tax rate that is in effect on January 1 of a year
 39 may not exceed one and seventy-five hundredths percent (1.75%).

40 (z) This subsection applies to Starke County. Except as provided in
 41 subsection (o), if an ordinance is adopted under section 27.6 of this
 42 chapter, the county economic development income tax rate plus the



1 county adjusted gross income tax rate that is in effect on January 1 of
2 a year may not exceed two percent (2%).

3 SECTION 3. IC 6-3.5-7-11, AS AMENDED BY P.L.261-2013,
4 SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
5 JULY 1, 2014]: Sec. 11. (a) Revenue derived from the imposition of
6 the county economic development income tax shall, in the manner
7 prescribed by this section, be distributed to the county that imposed it.

8 (b) Before August 2 of each calendar year, the budget agency shall
9 provide to the county auditor of each adopting county an estimate of
10 the amount determined under subsection (a) that will be distributed to
11 the county, based on known tax rates. Not later than thirty (30) days
12 after receiving the estimate of the certified distribution, the county
13 auditor shall notify each taxing unit entitled to receive a distribution
14 under this chapter of the estimated amount of the distribution and other
15 revenue that will be distributed to the taxing unit under this chapter
16 during the ensuing calendar year. Before October 1 of each calendar
17 year, the budget agency shall certify to the county auditor of each
18 adopting county the sum of the amount of county economic
19 development income tax revenue that the budget agency determines
20 has been:

21 (1) received from that county for a taxable year ending before the
22 calendar year in which the determination is made; and

23 (2) reported on an annual return or amended return processed by
24 the department in the state fiscal year ending before July 1 of the
25 calendar year in which the determination is made;

26 as adjusted for refunds of county economic development income tax
27 made in the state fiscal year plus the amount of interest in the county's
28 account that has been accrued and has not been included in a
29 certification made in a preceding year. The amount certified is the
30 county's certified distribution, which shall be distributed on the dates
31 specified in section 16 of this chapter for the following calendar year.

32 (c) The amount certified under subsection (b) shall be adjusted
33 under subsections (d), (e), (f), and (g). Not later than thirty (30) days
34 after receiving the notice of the amount of the certified distribution, the
35 county auditor shall notify each taxing unit entitled to receive a
36 distribution under this chapter of the amount of distribution and other
37 revenue that will be distributed to the taxing unit under this chapter
38 during the ensuing calendar year. The budget agency shall provide the
39 county council with an informative summary of the calculations used
40 to determine the certified distribution. The summary of calculations
41 must include:

42 (1) the amount reported on individual income tax returns



processed by the department during the previous fiscal year;
 (2) adjustments for over distributions in prior years;
 (3) adjustments for clerical or mathematical errors in prior years;
 (4) adjustments for tax rate changes; and
 (5) the amount of excess account balances to be distributed under
 IC 6-3.5-7-17.3.

(d) The budget agency shall certify an amount less than the amount determined under subsection (b) if the budget agency determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The budget agency may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(e) The budget agency shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The budget agency may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(f) The budget agency shall adjust the certified distribution of a county to provide the county with the amount of any tax increase imposed under section 26 of this chapter to provide additional homestead credits as provided in those provisions.

(g) This subsection applies to a county that:

(1) imposes, increases, decreases, or rescinds a tax or tax rate under this chapter before November 1 in the same calendar year in which the budget agency makes a certification under this section; or

(2) adopts an ordinance imposing a tax rate under section 29 of this chapter in the same calendar year in which the budget agency makes a certification under this section.

The budget agency shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The budget agency shall provide for a full transition to certification of distributions as provided in subsection (b)(1) through (b)(2) in the manner provided in subsection (d). If the county imposes, increases, decreases, or rescinds a tax or tax rate under this chapter after the date for which a certification under subsection (b) is based, the budget agency shall adjust the certified distribution of the county after September 30 of the calendar year. The adjustment shall reflect any other adjustment authorized under subsections (c), (d), (e), and (f). The adjusted certification shall be



1 treated as the county's certified distribution for the immediately
 2 succeeding calendar year. The budget agency shall certify the adjusted
 3 certified distribution to the county auditor for the county and provide
 4 the county council with an informative summary of the calculations
 5 that revises the informative summary provided in subsection (c) and
 6 reflects the changes made in the adjustment.

7 (h) The budget agency shall before May 1 of every odd-numbered
 8 year publish an estimate of the statewide total amount of certified
 9 distributions to be made under this chapter during the following two (2)
 10 calendar years.

11 (i) The budget agency shall before May 1 of every even-numbered
 12 year publish an estimate of the statewide total amount of certified
 13 distributions to be made under this chapter during the following
 14 calendar year.

15 (j) The estimates under subsections (h) and (i) must specify the
 16 amount of the estimated certified distributions that are attributable to
 17 any additional rates authorized under this chapter.

18 SECTION 4. IC 6-3.5-7-13.1, AS AMENDED BY P.L.137-2012,
 19 SECTION 99, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2014]: Sec. 13.1. (a) The fiscal officer of each county, city, or
 21 town for a county in which the county economic development tax is
 22 imposed shall establish an economic development income tax fund.
 23 Except as provided in sections 23, 26, 27, 27.5, ~~and~~ 27.6, **and 29** of this
 24 chapter, the revenue received by a county, city, or town under this
 25 chapter shall be deposited in the unit's economic development income
 26 tax fund.

27 (b) As used in this subsection, "homestead" means a homestead that
 28 is eligible for a standard deduction under IC 6-1.1-12-37. Except as
 29 provided in sections 15, 23, 26, 27, 27.5, ~~and~~ 27.6, **and 29** of this
 30 chapter, revenues from the county economic development income tax
 31 may be used as follows:

32 (1) By a county, city, or town for economic development projects,
 33 for paying, notwithstanding any other law, under a written
 34 agreement all or a part of the interest owed by a private developer
 35 or user on a loan extended by a financial institution or other
 36 lender to the developer or user if the proceeds of the loan are or
 37 are to be used to finance an economic development project, for
 38 the retirement of bonds under section 14 of this chapter for
 39 economic development projects, for leases under section 21 of
 40 this chapter, or for leases or bonds entered into or issued prior to
 41 the date the economic development income tax was imposed if
 42 the purpose of the lease or bonds would have qualified as a



purpose under this chapter at the time the lease was entered into or the bonds were issued.

(2) By a county, city, or town for:

(A) the construction or acquisition of, or remedial action with respect to, a capital project for which the unit is empowered to issue general obligation bonds or establish a fund under any statute listed in IC 6-1.1-18.5-9.8;

(B) the retirement of bonds issued under any provision of Indiana law for a capital project;

(C) the payment of lease rentals under any statute for a capital project;

(D) contract payments to a nonprofit corporation whose primary corporate purpose is to assist government in planning and implementing economic development projects;

(E) operating expenses of a governmental entity that plans or implements economic development projects;

(F) to the extent not otherwise allowed under this chapter, funding substance removal or remedial action in a designated unit; or

(G) funding of a revolving fund established under IC 5-1-14-14.

(3) By a county, city, or town for any lawful purpose for which money in any of its other funds may be used.

(4) By a city or county described in IC 36-7.5-2-3(b) for making transfers required by IC 36-7.5-4-2. If the county economic development income tax rate is increased after April 30, 2005, in Porter County, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county or by eligible municipalities (as defined in IC 36-7.5-1-11.3) in the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be paid by the county treasurer to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county under this chapter from the tax revenue that results each year from the tax rate increase. If Porter County ceases to be a member of the northwest Indiana regional development authority under IC 36-7.5 but two (2) or more municipalities in the county have become members of the northwest Indiana regional development authority as authorized



by IC 36-7.5-2-3(i), the county treasurer shall continue to transfer the three million five hundred thousand dollars (\$3,500,000) to the treasurer of the northwest Indiana regional development authority under IC 36-7.5-4-2 before certified distributions are made to the county or any cities or towns in the county. In Porter County, all of the tax revenue that results each year from the tax rate increase that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under subdivision (5). (5) This subdivision applies only in Porter County. All of the tax revenue that results each year from a tax rate increase described in subdivision (4) that is in excess of the first three million five hundred thousand dollars (\$3,500,000) that results each year from the tax rate increase must be used by the county and cities and towns in the county for homestead credits under this subdivision. The following apply to homestead credits provided under this subdivision:

(A) The homestead credits must be applied uniformly to provide a homestead credit for homesteads in the county, city, or town.

(B) The homestead credits shall be treated for all purposes as property tax levies.

(C) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(D) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide homestead credits in that year.

(6) This subdivision applies only in Lake County. The county or a city or town in the county may use county economic development income tax revenue to provide homestead credits in the county, city, or town. The following apply to homestead credits provided under this subdivision:

(A) The county, city, or town fiscal body must adopt an ordinance authorizing the homestead credits. The ordinance must specify the amount of county economic development income tax revenue that will be used to provide homestead credits in the following year.



(B) The county, city, or town fiscal body that adopts an ordinance under this subdivision must forward a copy of the ordinance to the county auditor and the department of local government finance not more than thirty (30) days after the ordinance is adopted.

(C) The homestead credits must be applied uniformly to increase the homestead credit under IC 6-1.1-20.9 (repealed) for homesteads in the county, city, or town (for property taxes first due and payable before January 1, 2009) or to provide a homestead credit for homesteads in the county, city, or town (for property taxes first due and payable after December 31, 2008).

(D) The homestead credits shall be treated for all purposes as property tax levies.

(E) The homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(F) The department of local government finance shall determine the homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide homestead credits in that year.

(7) For a regional venture capital fund established under section 13.5 of this chapter or a local venture capital fund established under section 13.6 of this chapter.

(8) This subdivision applies only to LaPorte County, if:

(A) the county fiscal body has adopted an ordinance under IC 36-7.5-2-3(e) providing that the county is joining the northwest Indiana regional development authority; and

(B) the fiscal body of the city described in IC 36-7.5-2-3(e) has adopted an ordinance under IC 36-7.5-2-3(e) providing that the city is joining the development authority.

Revenue from the county economic development income tax may be used by a county or a city described in this subdivision for making transfers required by IC 36-7.5-4-2. In addition, if the county economic development income tax rate is increased after June 30, 2006, in the county, the first three million five hundred thousand dollars (\$3,500,000) of the tax revenue that results each year from the tax rate increase shall be used by the county only to make the county's transfer required by IC 36-7.5-4-2. The first three million five hundred thousand dollars (\$3,500,000) of the



1 tax revenue that results each year from the tax rate increase shall
 2 be paid by the county treasurer to the treasurer of the northwest
 3 Indiana regional development authority under IC 36-7.5-4-2
 4 before certified distributions are made to the county or any cities
 5 or towns in the county under this chapter from the tax revenue
 6 that results each year from the tax rate increase. All of the tax
 7 revenue that results each year from the tax rate increase that is in
 8 excess of the first three million five hundred thousand dollars
 9 (\$3,500,000) that results each year from the tax rate increase must
 10 be used by the county and cities and towns in the county for
 11 homestead credits under subdivision (9).

12 (9) This subdivision applies only to LaPorte County. All of the tax
 13 revenue that results each year from a tax rate increase described
 14 in subdivision (8) that is in excess of the first three million five
 15 hundred thousand dollars (\$3,500,000) that results each year from
 16 the tax rate increase must be used by the county and cities and
 17 towns in the county for homestead credits under this subdivision.
 18 The following apply to homestead credits provided under this
 19 subdivision:

20 (A) The homestead credits must be applied uniformly to
 21 provide a homestead credit for homesteads in the county, city,
 22 or town.

23 (B) The homestead credits shall be treated for all purposes as
 24 property tax levies.

25 (C) The homestead credits shall be applied to the net property
 26 taxes due on the homestead after the application of all other
 27 assessed value deductions or property tax deductions and
 28 credits that apply to the amount owed under IC 6-1.1.

29 (D) The department of local government finance shall
 30 determine the homestead credit percentage for a particular
 31 year based on the amount of county economic development
 32 income tax revenue that will be used under this subdivision to
 33 provide homestead credits in that year.

34 (c) As used in this section, an economic development project is any
 35 project that:

36 (1) the county, city, or town determines will:

37 (A) promote significant opportunities for the gainful
 38 employment of its citizens;

39 (B) attract a major new business enterprise to the unit; or

40 (C) retain or expand a significant business enterprise within
 41 the unit; and

42 (2) involves an expenditure for:



- 1 (A) the acquisition of land;
- 2 (B) interests in land;
- 3 (C) site improvements;
- 4 (D) infrastructure improvements;
- 5 (E) buildings;
- 6 (F) structures;
- 7 (G) rehabilitation, renovation, and enlargement of buildings
- 8 and structures;
- 9 (H) machinery;
- 10 (I) equipment;
- 11 (J) furnishings;
- 12 (K) facilities;
- 13 (L) administrative expenses associated with such a project,
- 14 including contract payments authorized under subsection
- 15 (b)(2)(D);
- 16 (M) operating expenses authorized under subsection (b)(2)(E);
- 17 or
- 18 (N) to the extent not otherwise allowed under this chapter,
- 19 substance removal or remedial action in a designated unit;
- 20 or any combination of these.

21 (d) If there are bonds outstanding that have been issued under
 22 section 14 of this chapter or leases in effect under section 21 of this
 23 chapter, the county or a city or town may not expend money from its
 24 economic development income tax fund for a purpose authorized under
 25 subsection (b)(3) in a manner that would adversely affect owners of the
 26 outstanding bonds or payment of any lease rentals due.

27 SECTION 5. IC 6-3.5-7-29 IS ADDED TO THE INDIANA CODE
 28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 29 1, 2014]: **Sec. 29. (a) If a county operates a public safety answering**
 30 **point:**

31 **(1) the county income tax council, if the county option income**
 32 **tax is in effect in the county; or**

33 **(2) the county council, if:**

34 **(A) the county adjusted gross income tax is in effect in the**
 35 **county; or**

36 **(B) neither the county option income tax nor the county**
 37 **adjusted gross income tax is in effect in the county;**

38 **may adopt an ordinance imposing a county economic development**
 39 **income tax rate of one-tenth of one percent (0.1%) on the adjusted**
 40 **gross income of resident county taxpayers of the county. Tax**
 41 **revenue attributable to the tax rate imposed under this subsection**
 42 **must be used to pay expenses incurred by the county to operate the**



- 1 public safety answering point.
- 2 (b) A county economic development income tax rate imposed
- 3 under subsection (a) is in addition to:
- 4 (1) any other tax rate imposed under this chapter; and
- 5 (2) a tax rate imposed for public safety under IC 6-3.5-1.1-25
- 6 or IC 6-3.5-6-31.
- 7 (c) For purposes of computing the maximum county economic
- 8 development income tax rate that may be imposed in a county
- 9 under section 5 of this chapter, a county's county economic
- 10 development income tax rate for a particular year does not include
- 11 a tax rate imposed under subsection (a).
- 12 (d) For purposes of computing the maximum combined income
- 13 tax rate that may be imposed in a county under IC 6-3.5-1.1,
- 14 IC 6-3.5-6, and this chapter, a county's county economic
- 15 development income tax rate for a particular year does not include
- 16 a tax rate imposed under subsection (a).

